

CABLE TELEVISION (CATV) FRANCHISE AGREEMENT

TABLE OF CONTENTS

PAGE

SECTION 1	DEFINITIONS
SECTION 2	PROVISION OF CATV SERVICES
SECTION 3	TERM; RENEWAL
SECTION 4	NON-EXCLUSIVITY OF AGREEMENT
SECTION 5	TRANSFER OF ASSIGNMENT OF AGREEMENT
SECTION 6	SERVICE AND TRANSMISSION QUALITY STANDARDS
SECTION 7	AREA TO BE SERVED
SECTION 8	BASIC SERVICE TO PUBLIC BUILDINGS
SECTION 9	INSTITUTIONAL NETWORK
SECTION 10	EMERGENCY ALERT OVERRIDE CAPACITY
SECTION 11	CONSTRUCTION SCHEDULE
SECTION 12	TREE TRIMMING
SECTION 13	BUILDING MOVES
SECTION 14	REPAIRS AND RESTORATION
SECTION 15	STRAND MAPS
SECTION 16	PERFORMANCE BOND
SECTION 17	INDEMNIFICATION
SECTION 18	INSURANCE REQUIREMENTS
SECTION 19	REMOVAL
SECTION 20	CUSTOMER SERVICE STANDARDS; PARENTAL CONTROL LOCK
SECTION 21	EMPLOYMENT; VENDORS
SECTION 22	NON-DISCRIMINATION
SECTION 23	PUBLIC, EDUCATIONAL AND GOVERNMENTAL CHANNELS
SECTION 24	PEG ACCESS CAPITAL FUND
SECTION 25	FEE ENTITLEMENT
SECTION 26	RECOMPUTATION
SECTION 27	SUBSCRIBER RIGHT TO PRIVACY
SECTION 28	POLICE AND REGULATORY POWERS
SECTION 29	PROCEDURE FOR REMEDYING AGREEMENT VIOLATIONS
SECTION 30	ASSESSMENT OF MONETARY DAMAGES
SECTION 31	REVOCATION
SECTION 32	PROCEDURES IN THE EVENT OF

	TERMINATION
SECTION 33	RECEIVERSHIP AND FORECLOSURE
SECTION 34	NONENFORCEMENT BY THE CITY
SECTION 35	REPORTS
SECTION 36	MISCELLANEOUS PROVISIONS
SECTION 37	NO RECOURSE AGAINST THE CITY
SECTION 38	CHOICE OF LAW
SECTION 39	ENCROACHMENT PERMITS
EXHIBIT A	CUSTOMER SERVICE STANDARDS
EXHIBIT B	I-NET AGREEMENT
EXHIBIT C	I-NET DESCRIPTION
EXHIBIT D	I-NET DROPS
EXHIBIT E	CITY DROPS
EXHIBIT F	ORIGINATION LOCATIONS

CABLE TELEVISION (CATV) FRANCHISE AGREEMENT

Between

The City of San Mateo

And

RCN Telecom Services of California, Inc.



CATV FRANCHISE AGREEMENT

THIS CATV FRANCHISE AGREEMENT is hereby entered into this 15th day of November, 1999, by and between **RCN TELECOM SERVICES OF CALIFORNIA, INC.**, a California corporation ("RCN") and the **CITY OF SAN MATEO**, a charter city and municipal corporation ("City")

WITNESSETH:

WHEREAS, RCN is in the business of providing Cable Television ("CATV") Services to residential and commercial customers; and

WHEREAS, RCN will operate as a CATV Operator; and

WHEREAS, RCN has agreed to provide certain Public, Educational and Governmental Access Channels ("PEG Channels") as part of its CATV Services; and

WHEREAS, RCN has agreed, among other things, to pay the City a percentage of the revenues it receives from the provision of CATV Services to customers in the City; and

WHEREAS, the City believes that the provision of such CATV Services is in the best interests of the City residents; and

WHEREAS, the City has adopted Chapter 15.24, Community Antenna Television Franchise, and finds the proposed Franchise Agreement in conformance with this Chapter.

NOW THEREFORE, the City and RCN hereby enter into this CATV Franchise Agreement, authorizing RCN to provide CATV Services in the City, subject to the following conditions:

Section 1 - DEFINITIONS

The following terms shall have the meaning as defined below. The word "shall" is always mandatory:

1. "Affiliate" shall have the same meaning as set forth in the Rules and Regulations of the FCC which govern the provision of CATV Services as set forth in 47 C.F.R. § 76.501.
2. "Basic Service" shall mean any service tier which includes the retransmission of local television broadcast signals.

3. "Cable Service" shall mean the one-way transmission to subscribers of (i) video programming, or (ii) other programming service, and subscriber interaction, if any, which is required for the selection of such video programming or other programming service.
4. "Cable Television System or Cable System" shall mean a facility, consisting of a set of closed transmission paths and associated Signal generation, reception, and control equipment, that is designed to provide Cable Service which includes Video Programming and which is provided to multiple Subscribers within the City.
5. "City" shall mean the City of San Mateo.
6. "Customers" shall mean any person who legally receives any one or more of the RCN Video Programming services provided over the CATV System. Customers shall include commercial and residential Customers.
7. "Execution Date" shall mean the date on which all parties hereto have executed this Franchise Agreement.
8. "Gross Annual Revenues" shall mean consideration of any form or kind derived by RCN from the provision of CATV Services over the CATV System including without limitation: Basic Service monthly fees, and other service fees; installation, reconnection, downgrade, upgrade, and any similar fees; interest collected on Subscriber fees and/or charges, all Commercial Subscriber revenues; fees paid for channels designated for commercial use; Converter, remote control and other equipment rentals, and/or lease and/or sales; all homeshopping services(s) revenues; advertising revenues, except for those revenues generated solely from Internet advertising unless paid by the incumbent CATV provider; and late fees.

With respect to the inclusion of revenues derived from the sale and/or lease of high speed data modems and Internet access or service used in conjunction with CATV Service, such revenues will be included as part of Gross Annual Revenues in the event that any other multi-channel video service providers, which pay gross revenue fees to the City, include the revenues derived from high speed data modems and Internet access or service as part of their Gross Annual Revenues, provided however that if the Federal Communications Commission prohibits such revenues to be part of the franchise fees paid to the City such revenues will not be included in Gross Annual Revenues.

Gross Annual Revenues shall not include (i) any taxes on services furnished by RCN which are imposed directly on any subscriber or user by the State, City, or other governmental unit and which are collected by RCN on behalf of said governmental unit; (ii) bad debt, net of any collections; or (iii) refundable deposits, rebates or credits. The parties mutually agree that the franchise fee under Section 25 of this Franchise Agreement shall not be considered a City tax.

9. "Institutional Network" ("I-NET") shall mean the fiber optic strands in RCN fiber sheath which is a part of the network constructed by RCN and which has been dedicated for the sole use of the City, its departments and designees.

10. "PEG Access Channels" shall mean the channels on a duly licensed Cable Television System in the City, which have been reserved for public, educational or governmental use.

11. "Person" shall mean any corporation, partnership, limited partnership, association, trust, organization, other business entity, individual or group of individuals acting in concert.

12. "Prime Rate" shall mean the average prime rate of interest of the Bank of America for the relevant time period.

13. "Video Programming" shall mean programming provided by, or generally comparable to programming provided by, a television broadcast system.

Section 2 - PROVISION OF CATV SERVICES

(a) City is authorizing RCN to provide CATV Services to residential and commercial customers in the City.

(b) RCN shall be subject to all applicable Federal, State and local laws, regulations and/or ordinances, as may be amended from time to time.

(c) To the extent that any statute, rule, regulation, ordinance or any other law is enacted, modified, or repealed in any manner during the term of this Franchise Agreement so as to require any change in the rights or obligations of the parties hereto, the City and RCN shall enter into good faith negotiations in order to amend this Franchise Agreement to reflect such enactment, modification or repeal.

(d) In exercising its rights pursuant to this Franchise Agreement, RCN shall in no way endanger the lives of persons, or interfere with (1) any installations of the City, (2) any public utility serving the City and/or (3) any other persons permitted to use public rights-of-way nor cause any degradation of existing public or utility service.

Section 3 - TERM; RENEWAL

(a) The term of this Franchise Agreement shall be fifteen (15) years and shall commence on the date of its execution by the City and RCN. No later than four (4) years from the commencement of the term of this Franchise Agreement, the City Council of the City of San Mateo shall review RCN's performance under, and compliance with, this Franchise Agreement. In the tenth year, the City Council shall hold another public hearing to receive public comment on RCN's performance.

In the tenth year, another public hearing shall be held in that year but only as to RCN's performance under, and compliance with, this Franchise Agreement.

(b) The City and RCN shall have all available rights and remedies with respect to renewal, subject to applicable federal (including FCC rules and regulations) and state law as they exist at such time. Any renewal, denial of renewal and the consequences of and terms and conditions with respect to any such renewal or denial of renewal shall be subject to federal (including FCC rules and regulations) and state law in effect at such time.

(c) RCN shall make every reasonable effort to assure that RCN's CATV system continues to reflect the general cable industry state-of-the-art throughout the term of this Franchise Agreement both in terms of number of program services as well as the types of services and features available. State-of-the-art shall mean that level of technical performance capacity, or service for which there is a reasonable market demand and which has been developed and demonstrated by existing cable television system operators and reputable equipment suppliers to be workable in the field and such that it would be economically feasible and viable in the franchise area at any given point in time throughout the term of this Franchise Agreement.

After five years of the term of the Franchise Agreement has elapsed and should the City make a good faith determination that Grantee's system does not reflect the industry State-of-the-Art, the City and RCN shall negotiate in good faith to develop a plan, including a timetable, for the purpose of offering new or improved service(s), taking into account the cost of providing such service(s)

(d) RCN shall construct, activate and maintain CATV service and Local Exchange Carrier (LEC) telephone service in all areas specified in Exhibit G, Area A within five (5) years of the execution date of this Franchise Agreement.

(e) RCN shall construct, activate and maintain CATV service and Local Exchange Carrier (LEC) telephone service in all areas specified in Exhibit G, Area B within eight (8) years of the execution date of this Franchise Agreement.

(f) Should RCN complete construction as outlined in sections (d) and (e) above, the Franchise agreement will be extended an additional five (5) years for a total of twenty (20) years.

Section 4 - NON-EXCLUSIVITY OF AGREEMENT

(a) This Franchise Agreement shall be non-exclusive.

(b) This Franchise Agreement shall not affect the right of the City to issue to any other person or company an agreement to provide CATV Services and/or other forms of Video Programming services in the City. RCN hereby acknowledges the City's right to issue such additional agreements.

Section 5 - TRANSFER OR ASSIGNMENT OF AGREEMENT

(a)(1) RCN shall provide the City with thirty (30) days notice of a transfer or assignment of its Franchise Agreement to a FCC certified Affiliated entity and no approval of the City shall be required unless the transfer is subject to Section 5(a)(2) below. The transfer or assignment of the Franchise Agreement or System shall not constitute a waiver or release of any of the rights or obligations of RCN under this Agreement.

(2) In the event that the transfer to an Affiliate results in a change of management or working control attributable to a new ownership interest, the City shall have the right of approval of the transfer in accordance with the conditions of paragraph (c) below.

(b) The CATV System and any other tangible, or intangible, assets may be pledged to a creditor as Security (hypothecation) for the procurement of operating capital for the System without the consent of the City. Any such pledge agreement shall provide that any transfer of the Franchise Agreement and/or CATV system as a result of an exercise of the rights under the pledge agreement must comply with this Franchise Agreement, including paragraph (c) below. In the event that a lender takes any action to enforce such security liens or interest, including a foreclosure or other judicial sale, the City shall not terminate the Franchise Agreement as long as such action is in accord with the provisions of this Section 5 including paragraph (c) below.

(c) The City shall be notified of any pending sale, transfer of control, or assignment to a non-Affiliated entity no later than one hundred and twenty (120) days prior to the anticipated closing of the transaction and shall be provided reasonably sufficient business information, as determined by the City, about the transferee or assignee so as to ascertain that the transferee or assignee is legally, technically and financially able to comply with the terms and conditions of the Franchise Agreement. If the City reasonably determines that the transferee or assignee is able legally, technically, and financially to comply with the terms and conditions of the Franchise Agreement, and if RCN is then deemed to be in substantial compliance with the provisions of this agreement at the time prior to the transfer or assignment, the City shall not unreasonably withhold approval of the transfer of control or assignment. No such sale transfer of control, or assignment shall be effected without the approval of the City. If the City fails to act within one hundred and twenty (120) days the approval shall be deemed granted.

(d) Any change of RCN's controlling interest of the System shall be deemed a sale, transfer of control, or assignment for purposes of this Franchise Agreement. For the purposes of this section, "controlling interest" shall be defined as a change of the actual working control in whatever manner exercised and attributable ownership interest.

(e) Any assignment, sale or transfer of this Franchise Agreement, or transfer of control of the System, shall be conditioned upon the buyer's assignee's or transferee's written agreement with the City to be bound to all of the terms and conditions of this Franchise Agreement securing an FCC certificate to provide CATV Service in the City.

Section 6 - SERVICE AND TRANSMISSION QUALITY STANDARDS

(a) RCN shall meet or exceed all FCC service and transmission quality standards pertaining to the provision of CATV Services and the service and transmission quality standard pertaining to the provision of cable television services. At all times throughout the term of this Franchise Agreement, RCN shall meet all applicable FCC technical standards.

(b) RCN shall provide at the CATV control center and at all hubs standby power generating capacity capable of providing at least twelve (12) hours of emergency supply. RCN shall maintain standby power system supplies throughout the major trunk cable networks capable of providing emergency power within the standard limits of commercially available power supply units.

Section 7 - AREA TO BE SERVED

(a) RCN shall construct, install, activate, operate, and maintain, and provide, at its sole cost and expense, to all City residents (as service is provided according to Section 3, a Hybrid Fiber Coax HFC Subscriber Network designed for at least seven hundred fifty Megahertz (750 MHz), fully capable of carrying at least one hundred ten channels (110) in the downstream direction and up to three (3) NTSC video channels in the upstream direction. The system shall also include two-way interactive residential services. All audio signals shall be provided to customers in stereo, provided that such signals are furnished to RCN in stereo. RCN may activate portions of the plan and offer services in phases.

(b) RCN's service area shall be the entire City of San Mateo, including any and all territory as may be annexed thereto, during the term of this Franchise Agreement. City shall provide RCN with a thirty day written notice whenever an area is annexed to the City. RCN shall offer the full range of residential cable services to all City residents, at standard installation and monthly charges; provided, that RCN may offer discounts to select Customer groups, such as senior citizen and/or qualified low income residents.

(c) RCN shall provide service to areas in the City that are primarily commercial whenever technically and economically feasible. Plant to such service areas will be constructed in conjunction with construction in adjacent residential areas.

Section 8 - BASIC SERVICE TO PUBLIC BUILDINGS

RCN shall install one (1) drop of either the highest level of basic service or the highest speed regular residential cable internet service, 24 hours per day, 7 days a week, at no installation or monthly service charge, to any of the municipal and other public buildings listed in Exhibit E. The City and facility owner shall be responsible for acquisition of cable modem(s) required for internet service. Any new City or school owned and occupied building located within 125 feet of RCN's system that may be erected during

the term of this Franchise Agreement may be added to Exhibit E by written notice from the City to RCN.

Upon request of the City for the benefit of the San Mateo Main Public Library, to be constructed and completed on or about June, 2004, RCN shall provide the Library with one hundred (100) Internet access devices (e.g. cable modems or their equivalent), equal in speed and capacity to the fastest and largest capacity offered by RCN to any basic residential Subscriber, and 100 Internet connection subscriptions, both at no cost to the City. RCN shall install the necessary wiring and connect the 100 Internet access devices to the RCN network at no cost to the City. RCN shall demonstrate successful connectivity to the network. The wiring and connections shall perform to a demonstrated level of service as provided to the residential market in San Mateo.

Section 9 - INSTITUTIONAL NETWORK

(a) RCN shall construct and maintain an Institutional Network ("I-NET"), connecting the City's municipal facilities with two-way video capability and point-to-point data capability by means of fiber-optic strands. The I-NET shall be owned and maintained by RCN with maintenance provided to the City on a twenty-four (24) hour a day basis with a call list provided to the City for contacts. The fiber-optic cable shall be provided to an established demarcation point in all municipal buildings, as specified to RCN by the City and shall be for the exclusive use of the City, not for resale or profit. At the City's request, additional municipal buildings not in existence at the time of initial construction shall be wired on a time and materials basis to the City. The I-NET technical specifications are attached hereto as Exhibit C, incorporated herein by this reference.

Section 10 – EMERGENCY ALERT OVERRIDE CAPACITY

RCN shall provide Emergency Alert System capability in full compliance with applicable Federal Communications Commission requirements.

Section 11 - CONSTRUCTION SCHEDULE

(a) RCN shall complete and provide City with a complete construction schedule for each phase of construction of the System. RCN shall complete each phase of the System's construction in accordance with the relevant construction schedule. Completion of the system in a particular area shall be defined as the ability to provide at least one hundred ten (110) channels of video programming to all residential customers in that area, as well as satisfactory completion of any permit specified requirements and the public building connection in Section 8.

(b) RCN shall keep City informed of construction activity throughout its construction buildout. RCN shall submit a progress report detailing construction activities. Any timetables or construction schedules submitted in satisfaction of the reporting

requirements of this section shall be for information purposes only and shall not be an obligation on RCN.

The progress reports shall include a list of completed areas, specific location of work in progress, information regarding barriers to timely construction and estimated timetables for completing future construction as follows:

- (i) A progress report due 12 months from the effective date of this agreement;
- (ii) An annual progress report due on January 1st of each calendar year that also includes an estimated schedule for completion of the system.

Section 12 - TREE TRIMMING

RCN shall have authority to trim trees upon and overhanging public ways of the City so as to prevent branches from coming in contact with RCN wires, cable and equipment in accordance with applicable state law and any City bylaws and regulations of the City's Director of Parks and Recreation. Any such trimming plans shall first be submitted to and approved by the Director of Parks and Recreation.

Section 13 - BUILDING MOVES

RCN shall, on request of any person holding a moving permit issued by the City, temporarily move its wires or fixtures to permit the moving of buildings, the expense of such temporary removal to be paid in advance by the person requesting the same, and RCN shall be given not less than five (5) business days advance notice to arrange for such temporary changes.

Section 14 - REPAIRS AND RESTORATION

RCN shall fully comply with all the provisions of the City of San Mateo's Encroachment Permits for RCN Telecom Services of California, Inc., for the Installation of Network Facilities Within the Public Right-of-Way. If the City finds it necessary to make further repairs to any pavement after the repavement or restoration by RCN or contractors, and if in the opinion of the Director of Public Works or his designee said repairs are made necessary as a result of the inadequacy of the repavement or restoration, then RCN shall upon submission by Director of Public Works or his designee of an itemization of cost including labor and material reimburse the City for the same.

Section 15 - STRAND MAPS

RCN shall maintain a set of strand maps of the City which will show those areas in which its facilities exist, the location of all streets and the locations of all residence and other buildings. Upon request, the completed strand maps shall be filed with the City and shall

be updated annually. Said maps shall be provided to the City in both a hard copy format and in a computer file format suitable for a Computer Aided Design and Drafting application.

Section 16 - PERFORMANCE BOND

(a) RCN and/or its contractors, upon the effective date of this Agreement, shall secure and deliver to the City a Performance bond in the amount of One Hundred Thousand Dollars (\$100,000) and in a form acceptable to the City Attorney securing the timely and complete performance of all RCN obligations hereunder. The City may on behalf of any private property owner enforce said obligations and take action under said Bond to recover on same. RCN agrees to indemnify and hold harmless the City for any legal fees and expenses incurred in any matter arising in connection with said performance bond.

(b) The performance bond shall be effective throughout the term of this Franchise Agreement, and shall be conditional that in the event that RCN shall fail to comply with any provision of this Franchise Agreement or to comply with any order, permit, board, division or office of the City having jurisdiction over its acts, or to pay any claims, liens or taxes due the City which arise by reason of the construction, operation, maintenance and/or removal of the CATV, the City shall recover from the surety of such performance bond all damages suffered by the City.

(c) When the CATV system and the I-NET have been completed as evidenced by the City Engineer's or designee's written acceptance, said performance bond shall be released by the City.

Section 17 - INDEMNIFICATION

(a) Except for the City's act of sole or active negligence or willful misconduct, RCN shall indemnify and hold the City, its Council, boards, and commissions, its elected officials, officers, employees, and agents harmless against all claims for damage due to the action of RCN, its employees, officers or agents arising out of the construction, installation, maintenance, operation or removal of the CATV system or the I-NET under this Franchise Agreement, including without limitation, damage to persons or property, both real or personal. The City will notify RCN of any such claims and/or actions and provide a reasonable opportunity for RCN to accept and undertake the defense. Indemnified expenses shall include without limitation, all out-of-pocket expenses, such as attorneys' fees. The City shall have the right to approve any counsel retained for its defense, which approval shall not be unreasonably withheld. The City shall, at its sole cost and expense, indemnify and hold RCN, its employees, or officers, harmless against all claims for damage arising solely from the City's use of the I-NET.

(b) If a claim or action is brought against the City under circumstances where indemnification applies, RCN, at its sole cost and expense, shall defend the City. RCN

shall have control of such claim or action, but it may not settle without the advance, written consent of the City, which shall not be unreasonably withheld.

(c) This section is not, as to any third parties, a waiver of any defense or immunity otherwise available to the City.

(d) If as a result of entering into this Franchise Agreement, the City is involved in a legal or regulatory proceeding commenced by the incumbent cable television franchisee, or any other party, RCN shall indemnify the City for all costs including reasonable attorney's fees made necessary in defense of such legal or regulatory proceeding.

Section 18 - INSURANCE REQUIREMENTS

RCN and/or its contractors shall procure and maintain for the duration of this Agreement "occurrence coverage" insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by RCN, its agents, representatives, employees or subcontractors.

(a) Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001) shall be provided by RCN. Any deviation from this coverage is subject to the approval of the City Attorney.

2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 "any auto" and endorsement CA 0025. Any deviation from this coverage is subject to the approval of the City Attorney.

(b) Minimum Limits of Insurance. RCN shall maintain limits no less than:

1. Commercial General Liability: \$5,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.

(c) Deductions and Self-Insured Retentions. The City must approve any deductibles or self-insured retentions. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials and employees; or RCN shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses. The City's coverage shall be no greater than that of RCN as the primary insured.

(d) Other Insurance Provisions. The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages.

a. The City, its officers, officials, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of RCN; products and completed operations of RCN, premises owned, occupied or used by RCN, or automobiles owned, leased, hired or borrowed by RCN. The coverage shall contain no special limitations on the scope of the protection afforded to the City, its officers, officials, employees or volunteers that are not also limitations on the scope of protection afforded to RCN.

b. RCN's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of RCN's insurance and shall not contribute with it.

c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

d. RCN's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

2. Employers Liability Coverage.

The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by RCN.

3. All Coverages.

RCN shall notify the City within thirty (30) days of being informed by any of its insurers that the policies provided pursuant to this Agreement shall be suspended, voided, canceled by the insurer. RCN shall not cancel any of the policies provided pursuant to this Agreement without giving the City thirty (30) days advance notice. Said notice shall be provided to the City in writing by certified mail.

(e) Acceptability of Insurers. Insurance is to be placed with insurers with a Best's rating of no less than A:VII.

(f) Verification of Coverage. RCN shall furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(g) Subcontractors. RCN shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

(h) Waiver. The City Attorney may approve a variation in those insurance requirements upon a determination that the coverages, scope, limits and forms of such insurance are either not commercially available or that the City's interests are otherwise fully protected.

Section 19 - REMOVAL

Upon termination of this Franchise Agreement or any expiration hereof by passage of time or otherwise, and RCN ceases using the CATV facilities for providing any type of service to Customers, upon City's request, RCN shall remove, to the extent feasible, all of its CATV facilities, including all supporting structures, poles, transmission and distribution systems and other appurtenances from the public ways and other public and private places in, over, under or along which they are installed and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such termination, the City or property owner may deem any property not removed as being abandoned. Such abandonment shall not relieve RCN of the cost of any removal brought about by the City or property owner. In the event of such abandonment, the City may exercise an option to take over ownership and control of that part of the CATV system that forms the I-NET, as defined herein, at no cost to the City.

Section 20 - CUSTOMER SERVICE STANDARDS; PARENTAL CONTROL LOCK

(a) RCN shall meet or exceed the customer service standards, attached hereto as Exhibit A, and made a part hereof.

(b) RCN shall provide, for sale or lease, to subscribers, upon request, a parental control locking device or digital code that permits inhibiting the video and audio portion of premium channels and services.

Section 21 - EMPLOYMENT; VENDORS

(a) RCN shall be an Equal Opportunity Employer adhering to all federal, state and/or local laws and regulations pertaining to provision of its CATV Services.

(b) RCN shall use its best efforts to employ residents of the City for the employment opportunities created by the construction, operation, maintenance and upgrade of the CATV System.

(c) To the maximum feasible extent under applicable law, and with due regard to price and quality considerations, RCN shall utilize vendors located in the City in connection with the construction, operation, maintenance and upgrade of the System. RCN shall, in the purchase of comparable materials, equipment, or supplies of any nature, give effect to a preference for such items which are assembled, manufactured, or otherwise produced, in whole or in part, within the City.

Section 22 - NON-DISCRIMINATION

RCN shall adhere to all federal and state laws prohibiting discrimination in employment and in its provisions of CATV Services to residents in the City.

Section 23 - PUBLIC, EDUCATIONAL AND GOVERNMENTAL CHANNELS

(a) RCN shall provide on its CATV System two (2) analog channels for the provision of Public, Educational and Governmental Video Programming to every RCN subscriber in the City as part of its least cost tier of programming (generally called the "basic" tier). Each "channel" shall be comprised of Six MegaHertz (6 MHZ) of analog capacity or, should RCN utilize a digital network platform, an amount of digital capacity which would permit RCN to distribute the two (2) channels of PEG Access Programming distributed by any entity authorized by the City to provide such programming.

(i) In the event RCN relocates the PEG channel(s) to another channel assignment, RCN shall provide reimbursement to the City in an amount not to exceed five thousand dollars (\$5,000.00), for each relocation, to cover any reasonable costs associated with the City's notification to the community of such change(s).

(b) RCN shall also make available one (1) additional channel for the provision of Public, Educational and Government Video Programming upon the City providing RCN 150 days notice to vacate the channel. In making the request to vacate, the City must act in good faith by making a bona fide request for the additional channel.

(c) The City shall have the authority, either itself or through a designee, to designate the PEG Access Programming to be transmitted by RCN using the PEG Channel capacity. Should the City determine that RCN must transmit the PEG Access Programming which is distributed to CATV subscribers in the City, RCN shall have the obligation of interconnecting to the feed of such Video Programming at a mutually-agreeable point. RCN shall bear the cost of such interconnection.

(d) City may request RCN to interconnect public usage channels of the CATV system with any or all other cable or CATV systems in the City. Interconnection of systems shall permit interactive transmission and reception of program material, and may be done

by direct cable connection, micro link, satellite, or other appropriate method. If interconnection to the other system is denied or unfeasible, then RCN shall connect directly to the point of origin of the applicable PEG access programming at no charge to the City.

Upon receiving the City's request to interconnect, RCN shall immediately initiate negotiations with the other affected system or systems, and shall report to the City the results of such negotiations no later than sixty (60) days after the City's request to interconnect.

RCN may be granted reasonable extensions of time to complete the interconnect. The City shall rescind its request to interconnect upon petition by RCN to City if the City finds that RCN has negotiated in good faith and has failed to obtain an approval from the system or systems of the proposed interconnection, or that the cost of the interconnection would be unreasonably costly and City has determined that it will not contribute the requested support if found to be unreasonably costly.

RCN shall make all reasonable efforts to cooperate with any interconnection corporation, regional interconnection authority or city, county, state or federal regulatory agency which may be hereafter established for the purpose of regulating, financing, or otherwise providing for interconnection of system or systems beyond or within the boundary of RCN's service area.

(e) RCN shall monitor the PEG Access channels for technical quality and, to the extent that it is within their control, shall ensure that they are maintained at standards commensurate with those that apply to the CATV Operator's commercial channels.

(f) RCN shall provide a reverse (upstream) connection to the locations listed in Exhibit F to permit live or taped video programming to be transmitted from these locations to the CATV system for viewing by the CATV Customers.

Section 24 - PEG ACCESS CAPITAL FUND

(a) RCN shall contribute to a capital fund to be used for support of PEG access programming. The amount of this contribution shall be determined on a per-subscriber basis as the CATV system is built up. RCN's per-subscriber obligation shall be twenty five cents (\$0.25) per subscriber per month, provided, however, that this per-subscriber obligation shall be increased to the same rate, as the incumbent cable television operator's PEG Capital Fund obligation, after the incumbent's existing franchise is renewed, based upon the per subscriber payment, during the term of this Franchise Agreement. Any new per subscriber capital fund obligation shall be paid to the City no later than thirty (30) days after the City has notified or taken action to approve the incumbent cable television operator's new PEG obligation. In addition, no later than March 1, 2003 RCN shall provide an equipment and facilities grant in the amount of

\$125,000. This grant shall not effect the per subscriber payment provided for it this section.

The PEG money may be used for equipment, facilities and operation and maintenance for both one-way video PEG access services and/or the construction, activation, and equipment for an I-NET at the City's sole discretion.

All payments under this section 24(a) shall be payable in addition to any other payments required of RCN in this Agreement and shall be remitted to City quarterly as provided in Section 25(a). RCN agrees that any amounts paid under this Section 24(a) shall not be reflected in customer bills. This requirement shall be waived to the extent that other San Mateo franchisees reflect such amounts on customer bills.

b) RCN obligation to capitalize the fund shall commence upon RCN obtaining its first subscriber and payments shall be made on a quarterly basis thereafter. RCN shall notify the City no later than thirty (30) days after obtaining its first subscriber.

(c) In no event shall the amount of the contribution specified in Section 24(a) be counted as any Franchise Fee payment required under this Franchise Agreement, or any other fees or payments required by applicable law.

(d) RCN shall provide the City access to third party providers to include PEG Access Channel listing in their print and electronic program guides provided by RCN to its customers. The City shall be responsible for the timely updating of these listings. Any fees with special placement or handling, beyond the standard manner of presenting program schedule listings, shall be the City's responsibility. On an annual basis, upon sixty days written notice, RCN shall allow the City to submit a bill stuffer (no longer than three pages on 8 1/2" by 11" paper), created at the City's expense, to be inserted into all Customer statements within RCN's system within the City. In consideration of regulatory notification requirements, RCN shall have final approval on the dates for insertion.

Section 25 - FEE ENTITLEMENT

(a) RCN shall make quarterly payments to the City or its designee equal to five percent (5%) of RCN's Gross Annual Revenues as defined herein payable on or before February 15th, May 15th, August 15th, November 15th in each year. The quarterly payments may be based on unaudited revenue estimates, with any final adjustments made no later than ninety (90) days after the close of RCN's fiscal year.

If the quarterly or any other payment required by this Agreement is late by ninety days or more, a later charge equal to five percent (5%) of the amount due, or the delay may, at City's discretion, be regarded as a breach of this Agreement. Repeated delays or failures to timely pay (more than two of either within any two year period) may be regarded as a material breach of this Agreement.

(b) RCN shall prepare for City review a statement certified by its chief financial officer documenting in reasonable detail the total of all applicable Gross Annual Revenues derived during the prior year. Such supporting documentation shall be utilized by the City for the purposes set forth in this Franchise Agreement.

Section 26 - RECOMPUTATION

(a) Tender or acceptance of any payment pursuant to Sections 24 and 25 above shall not be construed as an accord that the amount paid is correct, nor shall such acceptance be construed as a release of any claim that the City may have for additional sums including interest payable under Sections 24 and 25. All amounts paid shall be subject to audit and recomputation by the City, which shall be based on RCN's fiscal year. City may, at its sole discretion, perform said audit within three (3) years after the end of the fiscal year for which the payment is made.

(b) If the City has reason to believe that any such fee payments hereunder are incorrect, RCN shall have thirty (30) days to provide the City with additional information documenting and verifying the accuracy of any such payment(s). If, after such audit and recomputations an additional fee is owed to the City, such fee shall be paid within thirty (30) days after such audit up to the amount determined by such audit to be due and payable. The interest on such additional fee shall be charges from the due date at the Prime Rate during such period that such additional amount is owed. In the event that RCN disputes or contests the audit and recomputations, RCN shall deposit the disputed amount into an escrow account. Said account shall remain in effect until a determination has been made by the City Council, or an appropriate judicial forum. At such time as a final determination is reached by the City or an appropriate judicial body, the funds deposited in the escrow account will be distributed accordingly.

(c) Other Payments.

(i) RCN shall arrange to pay to the City, in a manner acceptable to the Finance Director, the full amount of all costs incurred by the City for the services and expenses of third parties (including, but not limited to, attorneys and other consultants), in connection with the drafting of this Agreement, and the drafting of the I-NET Agreement between the City and RCN within thirty (30) days of receipt of an invoice from the City specifying the amount due. City shall provide an accounting of the costs and RCN shall pay said costs, or present its objections to the costs to the City, within thirty (30) days of the invoice date. Such amount shall not exceed Twenty Thousand Dollars (\$20,000). In addition, RCN shall reimburse the City for the City's costs for reasonable legal expenses associated with defense of any challenge to the validity of this Agreement. The payments made pursuant to this Section 26(c)(i) shall not be deemed to be "Franchise Fees," and such payments shall not be deemed to be: (i) "payments-in-kind" or involuntary payments chargeable against the compensation to be paid to the City by RCN pursuant to Section 24 hereof, or (ii) part of the compensation to be paid to the City by RCN pursuant to Section 25 hereof.

(d) Security Fund

(i) Amount. Simultaneously with the execution of this Agreement, RCN shall deposit with the Finance Director the amount of Ten Thousand Dollars (\$10,000), which shall be provided in the form of an irrevocable, unconditional letter of credit in a form acceptable to the Finance Director or a cash deposit established at a financial institution located within the City in an interest-bearing account payable to the City as trustee for RCN, with all interest distributed to RCN. The letter of credit shall in no event require the consent of RCN prior to the collection by the City of any amounts covered by such letter of credit. The amount of the letter of credit or cash deposit to be provided to the Finance Director shall constitute RCN's Security Fund. Upon completion of the CATV system, RCN shall deposit an additional amount into the Security Fund to bring the balance to Twenty-Five Thousand Dollars (\$25,000). At any time during the term of this Agreement, the City may, in its reasonable discretion, require RCN to increase the amount of the security funds; provided that at intervals of no more often than each three (3) years, the City shall have the right to require that this amount be increased to reflect changes in the San Francisco Metropolitan Area Consumer Price Index (CPI) during the prior three (3) year period.

(ii) Purpose. The Security Fund shall serve as security for: (i) the faithful performance by RCN of all terms and conditions of this Agreement, (ii) any expenditure, damage, or loss incurred by RCN occasioned by RCN's failure to comply with all rules, regulations, orders, permits, and other directives of the City issued pursuant to this Agreement; (iii) the payment by RCN of all liabilities which the City has been compelled to pay or incur by reason of any act or default of RCN, and all other payments due the City from RCN pursuant to this Agreement; (iv) the loss of any payments required to be made by RCN to the City which would have been received by the City but for RCN's failure to perform its obligations pursuant to this Agreement; (v) any costs, losses or damages incurred by the City or any other Person as a consequence of RCN's performance or nonperformance pursuant to the terms and conditions of this Agreement; and (vi) costs, losses or damages incurred by the City as a result of termination for cause due to a material breach. The withdrawal of amounts from the Security Fund shall constitute a credit against the amount of the applicable liability of RCN to the City but only to the extent of said withdrawal.

(iii) Replenishment. Throughout the term of this Agreement, or for as long as RCN operates the CATV System, whichever period is longer, and for at least ninety (90) days thereafter, RCN shall maintain the Security Fund in the amount specified in Section 26(d)(i) hereof or such other amount as from time to time be reasonably specified by the City in accordance with Section 26(d)(i) hereof. Within thirty (30) business days after receipt of notice from the Finance Director that any amount has been withdrawn from the Security Fund, as provided in Section 26(c)(iv) hereof, RCN shall restore the Security Fund to the amount specified in Section 26(c)(iv) hereof, provided that said restoration obligation shall be suspended during the period of any judicial challenge by RCN to the propriety of said withdrawal from the Security Fund. If a court determines that said withdrawal by the City was improper, the City shall restore the improperly withdrawn

amount to the Security Fund or to RCN such that the balance of the Security Fund shall not exceed the amount specified in Section 26(d)(i) hereof, together with interest from the date of the withdrawal at the then prevailing rate applicable to judgments rendered against the City pursuant to State law.

(iv) Withdrawals. The Finance Director, upon the direction of the City Manager, may make withdrawals from the Security Fund and pay to the City such amounts for the satisfaction of obligations under Section 26(d)(ii), if RCN fails: (i) to make any payment required by this Agreement within the time fixed herein; (ii) to pay to the City, within fifteen (15) business days after receipt of notice, any liabilities relating to the CATV System that are due and unpaid; (iii) to pay to the City, within fifteen (15) business days after receipt of notice from the City Manager, any damages, claims, costs or expenses which the City has been compelled to pay or incur by reason of any act or default of RCN; or (iv) to comply, within fifteen (15) business days after receipt of notice from RCN, with any provision of this Agreement which the City Manager determines can be remedied by an expenditure of an amount in the Security Fund, then the Finance Director may withdraw the amount thereof from the Security Fund and pay it to the City unless RCN has, within fifteen (15) business days after receipt of notice from the City Manager any of said failures, cured the said failures or presented written comments contesting the validity of the withdrawal.

(e) Interest. Interest due on any payment required to be made by RCN pursuant to Section 26(d)(iii) of this Agreement shall not begin to accrue for a period of thirty (30) business days after receipt by the Company of the notice of withdrawal from the Security Fund of the principal amount due, as provided in Section 26(d)(iii) hereof. Thereafter, if RCN has not made the required restoration to the Security Fund, interest on said amount shall accrue at the Prime Rate. The Finance Director may withdraw from the Security Fund and pay to the City such interest periodically up to the date on which RCN makes the required principal payment, provided that RCN shall not be obligated to pay such interest with such principal payment to the extent such interest has been already withdrawn by the Finance Director.

Section 27 - SUBSCRIBER RIGHT TO PRIVACY

RCN shall comply with all applicable state and federal privacy laws.

Section 28 - POLICE AND REGULATORY POWERS

RCN acknowledges that its rights are subject to the powers of the City to adopt and enforce general ordinances necessary to the safety and welfare of the public. Any conflict between the terms of this agreement and any present or future lawful exercise of the City's police and regulatory powers made necessary to ensure compliance with any present or future state or federal law shall be resolved in favor of the latter.

Section 29 - PROCEDURE FOR REMEDYING AGREEMENT VIOLATIONS

If the City has reason to believe that RCN has failed to perform any obligation under the franchise or has failed to perform in a timely manner, the City may make written demand on RCN that it remedy the alleged failure. If the alleged failure is denied or not remedied to the satisfaction of the City within a reasonable time as provided in the written demand, the City shall follow the procedure set forth in this Article.

RCN may request or the City may require an administrative hearing to determine if the failure occurred. RCN shall be provided with thirty (30) days written notice of the time and the place of the hearing, the allegations of failure and the possible consequences if found to be true.

After notice is given and an administrative hearing is held, the City shall determine whether the failure occurred and constitutes a breach of this Agreement. The City may order RCN to correct or remedy the failure within reasonable time and in the manner and on the terms and conditions that the City may establish.

If the City determines that the failure was a material breach, the City may also:

- (1) Assess against RCN monetary damages as provided in Section 30.
- (2) Consider the revocation of the Agreement as provided in Section 31 below; and
- (3) Pursue any other legal or equitable remedy available under applicable law.

Section 30 – ASSESSMENT OF MONETARY DAMAGES

The City may assess against RCN monetary damages up to Five Hundred Dollars (\$500) per day for material system upgrade/construction delays, and up to Two Hundred Dollars (\$200) per day for any other material breaches, levy the assessment against the security fund, and collect the assessment as specified in Section 26(d).

The assessment does not constitute a waiver by the City of any other right or remedy it may have under the franchise or applicable law including its right to recover from RCN any additional damages, losses, costs and expenses, including actual attorney's fees that are incurred by the City by reason of or arising out of the breach of the franchise.

Section 31 - REVOCATION

The City may revoke this Franchise Agreement and rescind all rights and privileges associated with this Franchise Agreement in the following circumstances, each of which represents default or a material breach of the Franchise Agreement:

- (1) If RCN fails to perform any of its material obligations under this Franchise Agreement or under any documents, ordinances, and other terms and provisions entered into by and between the City and RCN;

- (2) If there is a repeated, substantial and verifiable pattern of noncompliance with the consumer standards set forth in Exhibit A;
- (3) If RCN fails to provide continuous and uninterrupted CATV Service as stated in the Customer Service Standards, Exhibit A;
- (4) If RCN attempts to create a pattern and practice of fraud or deceit upon the City or any subscriber; or
- (5) If RCN becomes insolvent, or if there is a listing of an order for relief in favor of RCN in a bankruptcy proceeding .

After completing the procedures provided for above, the City may place a request for revocation of the agreement before the City Council. The Council shall cause written notice of its intent to consider revocation to be served on RCN at least twenty (20) days prior to the date of the hearing. The notice shall contain the time and place of the hearing and shall be published at least once, ten (10) days before the hearing, in a newspaper of general circulation within the franchise area.

The Council shall hear any persons interested in the revocation, and within ninety (90) days shall determine, based on the preponderance of the evidence, whether RCN has committed a material breach of the Franchise Agreement.

If the City determines that RCN has committed a material breach, then the City may:

Declare that the Franchise Agreement is revoked and the security fund and bonds forfeited; or

If the material breach is capable of being cured by RCN, direct RCN to take appropriate remedial action within the time and in the manner and on the terms and conditions that the City determines are reasonable under the circumstances.

Section 32 – PROCEDURES IN THE EVENT OF TERMINATION

If this Franchise Agreement expires without renewal or is otherwise lawfully terminated, the City may, subject to applicable law:

To the extent feasible, order the removal of the above-ground system facilities from the Franchise Agreement area within a reasonable period of time as determined by the City; or

Allow RCN to maintain and operate its CATV System on a month-to-month extension of this Franchise Agreement.

In removing its plant, structures, and equipment, RCN shall refill, at its own expense, any excavation that is made by it and shall leave all streets and public places in as good a

condition as that prevailing prior to RCN's removal of its equipment without affecting the electrical or telephone cable wires or attachments. The indemnification and insurance provisions, the security fund and the construction bond shall continue in full force and effect during the period of removal.

If RCN fails to complete any work required by this Section or any other work required by law within ninety (90) days after receipt of written notice and to the satisfaction of the City, the City may cause the work to be done and:

RCN shall reimburse the City for the reasonable costs incurred within thirty (30) days after receipt of an itemized list of the costs; or

The City may recover the costs through the security fund or bonds provided by RCN.

On any termination of this Franchise Agreement, the City may allow RCN to continue to operate the CATV System for a defined period of time from the date of the termination under the provisions of this Franchise Agreement; and

The City may seek legal and equitable relief to enforce the provisions of this Section.

Section 33 – RECEIVERSHIP AND FORECLOSURE

At the option of the City, subject to applicable law, this Franchise Agreement may be revoked one hundred twenty (120) days after the appointment of a receiver or trustee to take over and conduct the business of RCN whether in a receivership, reorganization, bankruptcy or other action or proceeding unless:

The receivership or trusteeship is vacated within one hundred twenty (120) days; or

The receivers or trustees have, within one hundred twenty (120) days after their election or appointment, fully complied with all the terms and provisions of this Franchise Agreement, and have remedied all defaults under the franchise; and the receivers or trustees have executed an Franchise Agreement duly approved by the court having jurisdiction, by which the receivers or trustees assume and agree to be bound by each and every term, provisions and limitation of this Franchise Agreement.

If there is a foreclosure or other involuntary sale of the whole or part of the plant, property, and equipment of RCN, the City may serve notice of revocation on RCN and to the purchaser at the sale, and the rights and privileges of RCN under this Franchise Agreement shall be revoked thirty (30) days after service of such notice, unless:

The City has approved the transfer of the Franchise Agreement in the manner provided by law; and

The successful purchase has covenanted and agreed with the City to assume and be bound by all the terms and conditions of this Franchise Agreement.

Section 34 – NONENFORCEMENT BY THE CITY

RCN is not relieved of its obligation to comply with any of the provisions of this Franchise Agreement or the franchise ordinance by reason of any failure of the City to enforce prompt compliance, nor may the City's forbearance or failure to enforce serve as a basis to stop any subsequent enforcement.

Section 35 – REPORTS

(a) At the City's request, within one hundred twenty (120) days after the close of RCN's fiscal year, RCN shall submit a written annual report, in a form acceptable to the City, including, but not limited to, the following information for the service area:

- (i) A revenue statement, audited by an independent Certified Public Accountant, and certified by a RCN officer;
- (ii) A summary of the previous year's (or, in the case of the initial report year, the initial year's) activities in development of the CATV system, including, but not limited to, services begun or discontinued during the reporting year, and the number of subscribers for each class of service;
- (iii) A statement of projected construction, if any, for the next two (2) years;

(b) At the City's request, RCN shall submit to the City an annual plant survey report which shall be a complete survey of the RCN's plant and a full report thereon. Said report shall include, but not be limited to, a description of the portions of its service area that have been cabled and have all services available and appropriate engineering evaluation including suitable electronic measurements conducted in conformity with such requirements, including supervision, as the City may prescribe. City shall be provided the ability to inspect "as-built" maps, upon request. Said report shall be in sufficient detail to enable the City to ascertain that the service requirements and technical standards of the franchise are achieved and maintained. If City has reason to believe that portions or all of the system do not meet the technical standards incorporated into this Franchise Agreement, at City's request, but no more often than once per three (3) years, RCN and the City shall agree upon the appointment of a qualified independent engineer to evaluate and verify the technical performance of the CATV system. The cost of such evaluation shall be borne equally by the City and RCN.

(c) At the City's request, RCN shall submit a copy of all pleadings, applications, notifications, communications and documents of any kind, submitted by RCN to, as well as copies of all decisions, correspondence and actions by, any federal, state and local courts, regulatory agencies and other government bodies relating to its cable television operations within the San Francisco Bay area. RCN shall submit such documents to City no later than thirty (30) days after receipt of a City request. RCN shall not claim confidential, privilege or proprietary rights to such documents unless such confidential rights are determined to be confidential by law or by the practices of federal and state agencies. Such confidential data exempt from public disclosure shall be retained in

confidence by City and its authorized agents and shall not be made available for public inspection.

(d) RCN shall keep an accurate and comprehensive file of complaints and reports as follows:

(i) File of any and all complaints regarding the CATV system, in a manner consistent with the privacy rights of subscribers, and RCN's actions in response to those complaints. These files and records shall remain open to the public during normal business hours.

(ii) A summary of service requests, identifying the number and nature of the requests and their disposition, upon City's request, shall be completed for each month and submitted to the City by the tenth day of the succeeding month.

(iii) A log and summary of all service interruptions shall be maintained.

(iv) If requested by the City, the results of an annual opinion survey report which identifies satisfaction or dissatisfaction among subscribers with CATV services offered by RCN shall be submitted to the City no later than two (2) months after the end of RCN's fiscal year. RCN may utilize a third party to conduct such a survey. If RCN desires, the surveys required to make said report may be in a form that can be transmitted to subscribers with one (1) or more bills for service, such as postage-paid self-addressed post cards.

(e) City may inspect any of RCN's facilities and equipment at any time upon at least twenty-four (24) hours notice, or, in case of emergency, upon demand without prior notice.

(f) The unexcused willful refusal, failure, or neglect of RCN to file any of the reports reasonably required, or such other reports as the city reasonably may request, may be deemed a material breach of this Franchise Agreement.

(g) Any materially false or misleading statement or representation made knowingly and willfully by RCN in any report required under the franchise may be deemed a material breach of the franchise and may subject RCN to all remedies, legal or equitable, which are available to the Grantor under this Franchise Agreement or otherwise.

(h) One (1) copy of all reports and records required under this or any other Section shall be furnished at the sole expense of RCN.

Section 36 - MISCELLANEOUS PROVISIONS

(a) This instrument contains the entire Franchise Agreement between the parties, supersedes all prior agreements or proposals except as specifically incorporated herein, and cannot be changed orally but only by an instrument in writing executed by the parties.

(b) The captions to sections throughout this Franchise Agreement are intended solely to facilitate reading and reference to the sections and provisions of this Franchise Agreement. Such captions shall not affect the meaning or interpretation of this Franchise Agreement.

(c) If any section, sentence, paragraph, term or provision of this Franchise Agreement is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision hereof, all of which shall remain in full force and effect for the term of this Franchise Agreement.

(d) During the term of this Franchise Agreement, RCN shall be liable for the acts or omission of its Affiliates while such Affiliates are involved directly or indirectly in the construction, installation, operation and/or maintenance of the CATV Services and/or the I-NET as if the acts or omissions of such Affiliates were the acts or omissions of RCN.

(e) If for any reason of force majeure RCN is unable in whole or in part to carry out its obligations hereunder, RCN shall not be deemed in violation or default during the continuance of such inability. Unless further limited elsewhere in this Franchise Agreement the term "force majeure" as used herein shall have the following meaning: strikes, acts of God, acts of public enemies, orders of any kind of the government of the United States of America or of the State of California or any of their departments, agencies, political subdivisions, or officials, or any civil or military authority, insurrections; riots, epidemics, landslides, lightening; earthquakes; fires, hurricanes, volcanic activity; storms; floods, washouts, droughts, arrests; civil disturbances; explosions; partial or entire failure of utilities; or any other similar cause or event not reasonably within RCN's control, which shall include but not limited to delays caused by the City, government agencies, regulatory bodies, utilities, cable television companies, or other parties. Examples of such delays include unreasonably delayed permit approvals, pole attachment approvals, power supply activities, construction conflicts, etc.

(f) The Exhibits to this Franchise Agreement attached hereto, and all portions hereof, are incorporated herein by this reference and expressly made a part of this Franchise Agreement.

(g) RCN warrants, represents and acknowledges that, as of the execution date of this Franchise Agreement:

(i) RCN is duly organized, validly existing and in good standing under the laws of the State of California;

(ii) RCN has the legal right under applicable State and Federal laws and regulations to operate its CATV Services in the City;

- (iii) RCN has the requisite power and authority under applicable law and its bylaws and articles of incorporation and/or other organizational documents, and is authorized by resolutions of its Board of Directors or other governing body, and has secured all consents which are required to be obtained as of the execution date of this Franchise Agreement to legally bind RCN to this Franchise Agreement and to take all actions necessary to perform all of its obligations pursuant to this Franchise Agreement;
 - (iv) This Franchise Agreement is enforceable against RCN in accordance with the provisions herein; and
 - (v) There is no action or proceeding pending or threatened against RCN, which would interfere with its performance of this Franchise Agreement.
 - (vi) RCN has secured a use tax permit from the California State Board of Equalization.
- (h) Every notice to be served upon the City shall be delivered, or sent by certified mail (postage prepaid) to the City Manager, City of San Mateo, 330 W. 20th Avenue, San Mateo, California 94403, or such other address as the City may specify in writing to RCN. The delivery shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of mailing.
- (i) Every notice served upon RCN shall be delivered or sent by certified mail (postage prepaid) to Paul Sigmund, RCN Telecom Services of California, Inc, 1400 Fashion Island Blvd., Suite 100, San Mateo, CA 94404, or such other address as RCN may specify in writing to the City. The delivery shall be equivalent to direct personal notice, direction or order, and shall be deemed to have been given at the time of mailing.

Section 37 - NO RECOURSE AGAINST THE CITY

RCN shall have no recourse whatsoever against the City or its City Council, or its officials, boards, commissions, agents, or employees other than injunctive and/or declaratory relief because of enforcement of this Franchise Agreement, nor shall it have recourse in instances of negligence, gross or otherwise, violation of constitutional rights, criminal acts or breach of contract for any loss, costs, expenses or damages arising out of any provision or requirements of this Franchise Agreement or because of enforcement of this Franchise Agreement except as otherwise expressly provided for herein.

Section 38 - CHOICE OF LAW

This Franchise Agreement shall be governed by and interpreted under the laws of the State of California and applicable federal laws. Venue for any dispute involving federal law interpretation and causes of action shall be in the Northern District of California and San Mateo Superior Court for all other disputes.

Section 39 - ENCROACHMENT PERMITS

As a condition precedent to the effectiveness of this Franchise Agreement, the parties shall execute encroachment permits between the City of San Mateo and RCN Telecom Services of California, Inc., for the "Installation of Network Facilities within Public Right-Of-Way" and all future work in the City's right of way.

IN WITNESS THEREOF, this Franchise Agreement is hereby signed and agreed to by the Mayor, City of San Mateo, and RCN of California.

Date: _____

THE CITY OF SAN MATEO

**RCN TELECOM SERVICES OF
CALIFORNIA, INC.**

By: _____

By: _____
Claire Mack, Mayor
President

Paul Sigmund, Executive Vice-

Attest:

By: _____

Norma Gomez, City Clerk

APPROVED AS TO FORM:

By: _____

Roy Abrams, City Attorney

EXHIBIT A

I. MINIMUM CONSUMER PROTECTION AND SERVICE STANDARDS.

(a) Except as otherwise provided in the Franchise Agreement, RCN shall maintain a local office or offices located within the city limits of the City of San Mateo to provide the necessary facilities, equipment, and personnel to comply with the following consumer protection and service standards under normal conditions of operation:

(1) Sufficient toll-free telephone line capacity during normal business hours to assure that a minimum of ninety-five percent of all calls will be answered before the fourth ring and ninety percent of all callers for service will not be required to wait more than thirty seconds before being connected to a service representative;

(2) Emergency telephone line capacity on a twenty-four hour basis, including weekends and holidays;

(3) A local business and service office open during normal business hours at least eight hours daily, and at least two hours weekly on evenings or weekends, plus additional weekend and evening hours as reasonably needed for special events and subscriber needs, and adequately staffed to accept subscriber payments and respond to service requests and complaints;

(4) An emergency system maintenance and repair staff, capable of responding to and repairing major system malfunction on a twenty-four-hour per day basis;

(5) An installation staff, capable of installing service to any subscriber within seven days after receipt of a request, in all areas where trunk and feeder cable have been activated.

(b) At the subscriber's request, RCN shall schedule, within a specified four-hour time period, all appointments with subscribers for installation of service.

(c) RCN shall render efficient service, make repairs promptly, and interrupt service only for good cause and for the shortest time possible. Scheduled interruptions, insofar as possible, shall be preceded by notice and shall occur during a period of minimum use of the Open Video System, preferably between midnight and six a.m.

(d) RCN shall maintain a repair force of technicians normally capable of responding to subscriber requests for service within the following time frames:

(1) For a system outage: within two hours, including weekends, of receiving subscriber calls or requests for service which by number identify a

system outage of sound or picture of one or more channels, affecting at least ten percent of the subscribers of the system;

(2) For an isolated outage: within twenty-four hours, including weekends, of receiving requests for service identifying an isolated outage of sound or picture for one or more channels that affects three or more subscribers. On weekends, an outage affecting fewer than three subscribers shall result in a service call no later than the following Monday morning;

(3) For inferior signal quality: within forty-eight hours, including weekends, of receiving a request for service identifying a problem concerning picture or sound quality.

(e) RCN shall be deemed to have responded to a request for service under the provisions of Section (d) when a technician arrives at the service location and begins work on the problem. In the case of a subscriber not being home when the technician arrives, the technician shall leave written notification of arrival. Three successive subscriber failures to be present at an appointed time shall excuse RCN of the duty to respond. RCN shall not charge for the repair or replacement of defective equipment provided by RCN to subscribers.

(f) Unless excused, RCN shall determine the nature of the problem within forty-eight hours of beginning work and resolve all CATV System related problems within five business days unless technically infeasible.

(g) Upon request, RCN shall provide appropriate rebates to subscribers whose service has been interrupted for four or more hours.

(h) Upon five days' notice, RCN shall establish its compliance with any or all of the standards required above. RCN shall provide sufficient documentation to permit grantor to verify the compliance.

(i) A repeated and continuing pattern of noncompliance with the consumer protection standards of sections (a) through (h), after RCN's receipt of due notice and an opportunity to cure, may be deemed a material breach of the Franchise Agreement.

(j) RCN shall establish written procedures for receiving, acting upon and resolving subscriber complaints without intervention by the City. The written procedures shall prescribe the manner in which a subscriber may submit a complaint either orally or in writing specifying the subscriber's grounds for dissatisfaction. RCN shall file a copy of these procedures with City.

(k) City shall have the right to review RCN's response to subscriber complaints in order to determine RCN's compliance with the Franchise Agreement requirements, subject to the subscriber's right to privacy.

(l) It shall be the right of all subscribers to continue receiving services insofar as their financial and other obligations to RCN are honored. In the event that RCN elects to rebuild, modify, or sell the system, or the City gives notice of intent to terminate or not to renew the franchise, RCN shall act so as to ensure that all valid subscribers receive service so long as the Franchise Agreement remains in force.

(m) In the event of a change of control of RCN, or in the event a new operator acquires the system, the original RCN shall cooperate with the City and the new operator in maintaining continuity of service to all subscribers. During such period, RCN shall be entitled to recover its actual (and verifiable) costs and damages from the revenues collected by the Open Video System.

(n) In the event RCN fails to operate the CATV System for seven consecutive days without prior approval or subsequently excused by the City, the City may, at its sole option, operate the system or designate an operator until such time as RCN restores service under conditions acceptable to the City or a permanent operator is selected. If the City should fulfill this obligation for RCN, then during such period as the City fulfills such obligation, the City shall be entitled to recover its actual costs and damages from the revenues collected by the system, and RCN shall indemnify the City against any damages the City may suffer as a result of such failure.

(o) All officers, agents or employees of RCN or its contractors or subcontractors who, in the normal course of work come into contact with members of the public or who require entry onto subscribers' premises shall carry a photo-identification card in a form approved by the City. RCN shall account for all its identification cards at all times. Every vehicle of RCN or its major subcontractors shall be clearly identified as such.

(p) Communications between RCN and subscribers

(1) Notifications to subscribers

(A) RCN shall provide written information on each of the following areas at the time of installation of service, at least annually to all subscribers, and at any time upon request:

- 1) Products and services offered;
- 2) Prices and options for programming services and conditions of subscription to programming and other services;
- 3) Installation and service maintenance policies;
- 4) Instructions on how to use the service;
- 5) Channel positions for programming carried on the system; and,

6) Billing and complaint procedures, including the address and telephone number of RCN's local office.

(B) Customers shall be notified of any changes in rates, programming services or channel positions as soon as possible in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of RCN. In addition, RCN shall notify subscribers thirty (30) days in advance of any significant changes in the other information required by Section (p)(1)(A) of this Exhibit A. RCN shall not be required to provide prior notice of any rate change that is the result of a regulatory fee, franchise fee, or any other fee, tax, assessment, or charge of any kind imposed by any Federal agency, State, or the City on the transaction between RCN and the subscriber.

(ii) Billing.

(A) Bills will be clear, concise and understandable. Bills must be fully itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates and credits.

(B) In case of a billing dispute, RCN must respond to a written complaint from a subscriber within thirty (30) days.

(iii) Refunds. Refund checks will be issued promptly, but no later than either:

(A) The customer's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or

(B) The return of the equipment supplied by RCN if service is terminated.

(iv) Credits. Credits for service will be issued no later than the customer's next billing cycle following the determination that a credit is warranted.

(q) A repeated, substantial and continuing pattern of noncompliance of these standards may be deemed a material breach of the Franchise Agreement, provided that RCN shall receive due process, including written notification and an opportunity to cure, prior to any sanction being imposed.

EXHIBIT B

City of San Mateo's Institutional Network Agreement

Section 1 – Institutional Network (“I-NET”)

(a) RCN shall construct, install, operate and maintain two (2) single mode optical fibers between dedicated public agency buildings forming an Institutional Network (“I-NET”) for the exclusive use of the City.

(b) Said I-NET shall be capable of distributing video, audio and data to all designated City buildings connected to the I-NET.

(c) RCN shall maintain and replace in a timely manner all network equipment and communications paths that are part of the I-NET; provided, however, that RCN shall not be required to provide, maintain or replace any end-user equipment. The City shall be responsible for the purchase, maintenance and replacement of any end-user equipment (both hardware and software) that it owns and operates, unless otherwise specifically provided for in this CATV Franchise Agreement.

(d) The I-NET shall comply in all respects with the “General Description of The City of San Mateo Institutional Network (“I-NET”)”, including equipment specified therein, attached hereto as Exhibit C and made a part hereof.

(e) The two (2) single mode fiber-optic strands shall interconnect each of the City buildings specified in Exhibit D to RCN’s Hub location using a tree and branch network topology.

(f) Two (2) single mode fibers shall be terminated at each location requiring access to the I-NET (such termination is defined as an “I-Net Drop”). One (1) fiber shall be used for upstream transmission from the I-NET to the RCN’s Hub location in the City. The second fiber shall be used for downstream transmissions.

(g) RCN shall maintain the I-NET as follows:

(i) The I-NET shall be maintained at all times in the downstream and upstream mode(s) to conform to FCC standards, if any.

(ii) The hours 8:00 AM to 8:00 PM Monday through Friday are defined as Prime Business Hours for the City. During the portion of Prime Business Hours from 8:00 AM to 5:00 PM, RCN shall make its best efforts to initiate action(s) to correct critical outages, related to the portion of the I-NET provided by RCN, as brought to the attention of RCN by the City’s I-NET

Administrator, within two (2) hours of the time that it is notified of any such outage by the City's I-NET Administrator; provided, however, that in no event shall RCN respond to such outage(s) later than the end of the day if notified by 3:00 P.M. The City shall identify, and provide to RCN, a telephone number for the City's I-NET Administrator.

(iii) For critical outages occurring outside of Prime Business Hours, RCN shall initiate action(s) to correct such outages not later than 8:00 AM the following day.

(iv) For all non-critical outages, RCN shall respond within six (6) hours during Prime Business Hours, unless otherwise agreed to by the parties hereto.

(v) For scheduled I-NET maintenance activities, and scheduled Subscriber Network maintenance activities that may impact the I-NET, whether initiated at the City's request or by RCN, RCN shall provide a minimum of one (1) week notice to the City's I-NET Administrator, unless otherwise agreed to by the City's I-NET Administrator or other designated employee.

(vi) For all Cable System maintenance activities likely to impact I-NET service, scheduled or otherwise, RCN shall notify the City's I-NET Administrator prior to the commencement of any such work.

(vii) All requests for I-NET maintenance shall be coordinated by the City's I-NET Administrator or other designated employee.

(viii) In the event that the Subscriber Network and the I-NET experience an outage simultaneously, it is the understanding of the parties hereto that RCN's first priority is to repair the Subscriber Network.

(h) The City shall have the right hereto to use the I-NET for any lawful municipal purpose acting in its governmental capacity. The City shall not use the I-NET for commercial purposes or use or permit use of the I-NET to provide services to third parties other than for governmental purposes. Commercial purposes shall be defined for this section as the City receiving a monetary benefit, cash payment or discount.

(i) RCN shall provide an I-NET Drop to each of the institutions listed in Exhibit D of the Franchise Agreement. RCN shall supply the appropriate connector so as to allow the User(s) origination capability at the institutions specified in said Exhibit D.

(j) RCN shall discuss the location of each I-NET Drop with the City's I-NET Administrator for each of the buildings designated to receive an I-NET Drop, prior to the installation of such I-Net Drop. As segments of RCN's network are completed, the City buildings in those areas will be connected to the I-NET in order that the City can commence use of the I-NET as soon as possible.

(k) City may request additional I-NET Drops for public buildings not in existence at the time of initial construction. Additional buildings shall be wired based on proximity to existing network topology on a time and materials basis..

(l) RCN shall have the sole responsibility for maintaining the RCN-provided portion of the I-NET for the term of the Franchise Agreement, excluding equipment not directly under its control or ownership. RCN shall be responsible for all necessary inspections and performance tests of the RCN-provided portion of the I-NET. Scheduled tests shall be performed at least approximately once a year. Test results shall be submitted to the City's I-NET Administrator.

(m) In the event that there is a technical problem with the I-NET, excluding any devices, hardware or software not under the control or ownership of RCN and installed by the City or other User, RCN shall resolve the technical problem promptly. Should the problem continue, City and RCN shall meet to discuss a resolution of such problem. City shall have the right to reasonably request a performance test of the I-NET, should such problems persist. RCN shall initiate such performance tests within seven (7) days of any such request, and correct the problem within seven (7) days and submit the results to City promptly, unless RCN notifies the City, in writing, that such correction cannot be completed with such seven (7) day period.

(n) There shall be no charges to the City for maintenance, repair, and/or replacement of the RCN provided portion of the I-NET. In the event that applicable state and/or federal laws and/or regulations allow RCN to externalize, line-item or otherwise pass-through any I-NET costs, incurred pursuant to the Franchise Agreement, to Subscribers, RCN may only do so, including, but not limited to, the computation, collection, and/or interest paid on and allocation of any such costs, strictly in compliance with such applicable laws and/or regulations.

(o) If requested to do so by City, RCN shall provide a written explanation of any such externalized or passed-through I-NET costs, in sufficient detail to enable City to understand how such new costs have been externalized or passed-through as allowed or required by applicable law(s). Unless agreed to otherwise, RCN shall provide said written explanation to the City, in writing, within fourteen (14) days of a request to do so by the City.

(p) RCN recognizes that the I-NET may be used for vital public safety communications. Any interruptions in service, whether at one or multiple locations, which are due to problems with the RCN maintained portion of the I-NET will be given the highest priority and outages will be kept to a minimum, but in no event greater than twenty-four (24) hours. In the event RCN is unable to correct an outage within 24 hours, the parties shall meet to discuss resolution of the service interruption including possible use of a qualified third party.

(q) No utilization charges shall be imposed for two-way interactive network communications within City's jurisdictional area. RCN may impose a network utilization and maintenance charge for two-way interactive communications to other jurisdictional area. To the extent not specifically prohibited by the California Public Utilities Commission (CPUC) or the Federal Communications Commission (FCC), RCN shall not charge more than fifty percent (50%) of the lowest rate tariffed by the CPUC or FCC for California facilities-based common carriers providing similar bandwidth to functionally similar users for comparable communications distances.

(r) RCN may submit and City may consider alternative proposals utilizing emerging technologies, for providing I-NET type services.

(s) If upon expiration of this Franchise agreement, RCN is denied a renewal or extension for whatever reason, RCN shall negotiate in good faith, terms to ensure the preservation of the I-NET.

Section 2 - City's Payment for I-NET

The I-NET shall be installed by RCN and paid for by the City over the 15-year term of the franchise agreement. The City's cost for the I-NET, as described in Exhibit C, shall not exceed one hundred and sixty one thousand, five hundred dollars (\$161,500.00). City shall pay RCN for the I-NET from the RCN fee payments required to be made pursuant to Section 24 of Agreement, PEG Access Capital Fund money. City shall pay RCN at least twenty percent (20%) of any Fee payment as an I-NET reimbursement. At the end of the 15-year term City shall pay the remaining balance to RCN. However, should the Franchise be extended in accordance with Section 3 (f) any remaining balance shall be forgiven. In its sole discretion, the City may choose to pay an additional payment to RCN for the I-NET at any time.

City shall begin to pay 20% of Fee only after City Hall and four (4) other City facilities have connections installed to the satisfaction of the City Manager or his designated agent. City shall not pay any interest on the outstanding balance of the I-NET cost.

EXHIBIT C

General Description of the San Mateo Institutional Network

RCN Telecom Services of California (RCN) proposes to provide the fiber optic cable strands that will be needed to establish an institutional network (I-Net) for the City of San Mateo (City). Two (2) single mode fiber optic cable strands will interconnect each of the buildings specified by the City to the RCN hub location utilizing a tree-and-branch network topology. These fibers will be used exclusively for the I-Net and may not be used by the City to provide capacity to others without RCN's prior written consent.

The proposed fiber optic strands can be configured to provide a variety of voice, video and data services depending on the type and configuration of the selected end user equipment. The following paragraphs depict one configuration that could be used to provide the video and data transmission capacity over the fiber optic cable.

This design proposes extensive use of fiber strands to provide both video and data services to specified building locations. Two single mode fibers will be provided for the City to terminate at each location requiring access to the I-Net. One fiber will be used for upstream transmission from the I-Net location to RCN's hub location within the City. The second fiber will be used for down stream transmission from the hub to the I-Net location.

The two fibers from each I-Net location will be terminated in the RCN hub on a separate patch. These fibers will then be cross-connected to the equivalent size fiber (rounded up) from the hub to a designated city I-Net location. This location will serve as the I-Net hub for the City. This will allow the City to select the type of equipment and access required implementing an independent I-Net system. No intermediate amplification or active devices of any sort are required between the RCN hub site and the I-Net building location. This 100 percent fiber optic delivery system provides extremely high reliability and an enhanced quality of signal.

At the I-Net building location the City can terminate the downstream fiber into an optical receiver unit of their choice.

At an I-Net location where video signal generation is required, signals from the local source could be fed into a signal combiner, which in turn is fed into an analog modulated laser. Typically these lasers have an approximate bandwidth that would support 10 (video) channels. The data portion of the I-Net could be provided by equipping DS-1 RF modem units which could be configured in a point to point configuration routing through the RCN hub. This configuration would provide a variety of data services between any two points on the I-Net. The DS-1 facilities can be multiplexed onto a SONET system for transport from the designated data center through the RCN hub.

The tree-and-branch architecture from the RCN hub will be deployed to each City I-Net location as the RCN Hybrid Fiber Coaxial (HFC) network is constructed. As the RCN fiber is deployed the two single mode fibers will be dropped off at each agreed upon I-Net location within the City. A dedicated fiber run engineered to accommodate the agreed upon quantity of I-Net locations and fiber utilization will be implemented and cross connected before I-Net activation begins.

EXHIBIT D

City of San Mateo Proposed I-NET Locations

Facility	Address
1. Fire Station 21	120 S. Ellsworth St.
2. Fire Station 23	31 W. 27 th Ave.
3. Fire Station 24	319 S. Humboldt St.
4. Fire Station 25	545 Barneson Ave.
5. Fire Station 26	1812 S. Norfolk St.
6. Fire Station 27	1801 De Anza Blvd.
7. City Hall Complex	330 W. 20 th Ave.
8. Police Department	2000 S. Delaware St.
9. Public Works – Corp Yard *	1949 Pacific Blvd.
10. Main Library	55 W. 3 rd Ave.
11. Hillsdale Branch Library	205 W. Hillsdale Blvd.
12. Marina Branch Library	1530 Susan Ct.
13. Beresford Recreation Center	2720 Alameda de las Pulgas
14. Senior Center	2645 Alameda de las Pulgas
15. Central Recreation Center	50 E. 5 th Ave.
16. Center Studio	50 E. 5 th Ave.
17. Joinville Swim Center	2111 Kehoe Ave.
18. Martin Luther King Recreation Center	725 Monte Diablo Ave.
19. Lakeshore Recreation Center	1550 Marina Ct.

20. Shoreview Recreation Center	950 Ocean View Ave.
21. Golf Course Club House *	Coyote Point Dr.
22. Purchasing Warehouse *	1961 Pacific Blvd.
23. Park Corporation Yard *	2001 Pacific Blvd.
24. Water Quality Treatment Plant	2050 Detroit Drive
25. Golf Maintenance Center	1901 E. Poplar Ave.

* These facilities are currently served via existing City owned fiber optic network. RCN will only provide an I-NET Drop to these facilities if specifically requested by the City consistent with the terms of the franchise agreement.

EXHIBIT E

City of San Mateo Basic Service to Public Buildings

Facility	Address
26. Fire Station 21	120 S. Ellsworth St.
27. Fire Station 23	31 W. 27 th Ave.
28. Fire Station 24	319 S. Humboldt St.
29. Fire Station 25	545 Barneson Ave.
30. Fire Station 26	1812 S. Norfolk St.
31. Fire Station 27	1801 De Anza Blvd.
32. City Hall Complex	330 W. 20 th Ave.
33. Police Department	2000 S. Delaware St.
34. Public Works – Corp Yard	1949 Pacific Blvd.
35. Main Library	55 W. 3 rd Ave.
36. Hillsdale Branch Library	205 W. Hillsdale Blvd.
37. Marina Branch Library	1530 Susan Ct.
38. Beresford Recreation Center	2720 Alameda de las Pulgas
39. Senior Center	2645 Alameda de las Pulgas
40. Central Recreation Center	50 E. 5 th Ave.
41. Center Studio	50 E. 5 th Ave.
42. Joinville Swim Center	2111 Kehoe Ave.
43. Martin Luther King Recreation Center	725 Monte Diablo Ave.
44. Lakeshore Recreation Center	1550 Marina Ct.

45. Shoreview Recreation Center	950 Ocean View Ave.
46. Golf Course Club House	Coyote Point Dr.
47. Purchasing Warehouse	1961 Pacific Blvd.
48. Park Corporation Yard	2001 Pacific Blvd.
49. Water Quality Treatment Plant	2050 Detroit Drive
50. Golf Maintenance Center	1901 E. Poplar Ave.
51. City Hall Annex (Diadoti Bldg.)	1900 O'Farrell St.
52. City Hall Annex (Wells Bldg.)	1941 O'Farrell St.

San Mateo Schools
Reception Locations

Facility	Address
<u>Public Elementary Schools</u>	
1. Abbott	600 W. 36 th Ave.
2. Bayside	2025 Kehoe Ave.
3. Baywood	600 Alameda de las Pulgas
4. Beresford	300 W. 28 th Ave.
5. Borel	425 Barneson Ave.
6. Fiesta Gardens International School	1001 Bermuda Dr.
7. George Hall	130 San Miguel
8. Horrall	949 Ocean View
9. Laurel	316 W. 36 th Ave.
10. Meadow Heights	2619 Dolores
11. North Shoreview	1301 Cypress

12. Park School

161 Clark Drive

13. Parkside

1685 Eisenhower

14. Sunnybrae

1031 S. Delaware St.

15. Turnbull

715 Indian Ave.

Parochial Schools

- | | |
|--|---|
| 1. St. Matthew's Catholic | 900 S. El Camino Real |
| 2. St. Matthew's Episcopal | Baldwin Ave & N. El Camino Real |
| 3. Carey School | 2101 Alameda de las Pulgas |
| 4. Grace Lutheran | Alameda de las Pulgas & 29 th Ave. |
| 5. St. Gregory's | 2701 Hacienda Ave. |
| 6. St. Timothy's | 1515 Dolan Ave. |
| 7. North Peninsula Jewish Community Day School | 525 W. 42 nd Ave. |

High Schools

- | | |
|----------------------|-----------------------------------|
| 1. Hillsdale High | 31 st Ave. & Del Monte |
| 2. San Mateo High | 506 N. Delaware St. |
| 3. Serra High | 451 W. 20 th Ave. |
| 4. Aragon High | 900 Alameda de las Pulgas |
| College of San Mateo | 1700 W. Hillsdale Blvd. |

EXHIBIT F

City of San Mateo Origination Locations

<u>Facility</u>	<u>Address</u>
Fire Station #1	120 S. Ellsworth Ave.
City Hall Complex	330 W. 20 th Ave.
Police Department Building	2000 S. Delaware St.